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LISTING STATEMENT NO. 2567

LISTED AUGUST 14, 1972.

9,376,800 common shares without par value of which 200,000 shares are subject to issuance.

Stock Symbol FRV.

Post Section 5.4.

# THE TORONTO STOCK EXCHANGE

## LISTING STATEMENT

### THE FAIRVIEW CORPORATION OF CANADA LIMITED

Incorporated under the Canada Corporations Act by Letters Patent dated  
December 9, 1959

#### CAPITALIZATION

	<u>Authorized</u>	<u>Outstanding on August 3, 1972</u>	<u>To be Listed</u>
CAPITAL STOCK			
Common shares without nominal or par value	15,000,000	9,176,800 (\$52,199,500)	9,376,800

Reference is made to "Capitalization" on pages 4 and 5 of the Prospectus.

#### 1. APPLICATION

The Fairview Corporation of Canada Limited (the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 9,376,800 common shares without nominal or par value of which 9,176,800 have been issued and are outstanding as fully paid and non-assessable. 200,000 common shares will be reserved for future allocation pursuant to the employee share purchase and stock option plans which the Board of Directors of the Company intends to establish.

#### 2. REFERENCE TO PROSPECTUS

Reference is hereby made to the attached prospectus (the "Prospectus") issued by the Company under date of July 5, 1972, with respect to the offering to the public in Canada of 1,800,000 common shares of the Company. A copy of such Prospectus is hereby incorporated in this application and made part hereof.

A history of the Company and a description of its assets are set forth under the headings "The Company" on page 3 and "Business and Properties" on page 7 of the Prospectus.

#### 3. HISTORY AND BUSINESS

The Company was incorporated under the Canada Corporations Act by letters patent dated December 9, 1959, with an authorized capital of \$250,000 divided into 15,000 preferred shares and 10,000 common shares all of the par value of \$10 each. By supplementary letters patent dated June 1, 1970, the 10,000 authorized and issued common shares were subdivided into 1,000,000 common shares without nominal or par value. By supplementary letters patent dated June 1, 1972, the 1,000,000 authorized and issued common shares were subdivided into 5,600,000 common shares without nominal or par value and the 15,000 authorized and unissued preferred shares were changed into 9,400,000 common shares without nominal or par value so that the authorized capital stock of the Company is now 15,000,000 common shares without nominal or par value.

The Company is one of the largest Canadian real estate organizations, and through subsidiaries, companies in which it owns less than a majority interest, and by ownership of properties jointly with others, is engaged in the investment in and development and administration of real estate in Canada.

The Company has been active in the real estate business for approximately eleven years, and has interests in completed or substantially completed shopping centres, office buildings and other properties, with an aggregate rentable area of approximately 10.7 million square feet. These properties include 13 shopping centres in five provinces with an aggregate rentable area of approximately 4.7 million square feet, and 10

office buildings with an aggregate rentable area of approximately 5.5 million square feet. The Company also owns 30.1% of the outstanding shares of Canadian Equity & Development Company Limited, and has developments in various stages of construction, study and planning.

Reference is made to "The Company" and "Business and Properties" on pages 3 and 7 respectively of the Prospectus.

4. **SHARES ISSUED DURING LAST TEN YEARS**

The only common shares issued during the last ten years are the 1,800,000 common shares issued pursuant to the Prospectus and the 1,776,800 common shares issued to Cemp Investments Ltd. on July 25, 1972, referred to under "Principal Shareholder" on page 16 of the Prospectus. The remaining issued and outstanding 5,600,000 common shares resulted from subdivisions on June 1, 1970, and June 1, 1972, of the original 10,000 common shares issued by the Company in December, 1959.

5. **DESCRIPTION OF THE COMMON SHARES**

Reference is made to "Description of Shares" on page 16 of the Prospectus.

6. **DIVIDEND RECORD**

The Company has not paid any dividends during the last five years.

7. **SUBSIDIARIES AND AFFILIATED COMPANIES**

Reference is made to "Corporate Structure" and "Business and Properties" on pages 6 and 7 respectively of the Prospectus. A list of the principal subsidiaries and affiliated companies of the Company is appended hereto as Schedule "A".

8. **FUNDED DEBT**

Reference is made to "Capitalization" on pages 4 and 5 of the Prospectus.

9. **OPTIONS, UNDERWRITINGS, ETC.**

Reference is made to "Employee Share Purchase and Stock Option Plans" on page 16 of the Prospectus. The only underwriting agreement to which the Company has been a party, namely the Underwriting Agreement referred to under "Plan of Distribution" on page 3 of the Prospectus, has been performed.

10. **LISTING ON OTHER STOCK EXCHANGES**

There are no securities of the Company presently listed on any other stock exchange. The Company is currently making application to the Montreal Stock Exchange and the Vancouver Stock Exchange for the listing on the Montreal Stock Exchange and the Vancouver Stock Exchange of the 9,376,800 common shares.

11. **STATUS UNDER SECURITIES ACT**

The 1,800,000 common shares of the Company offered for sale by the Prospectus were qualified for sale to the public through registered brokers in each of the provinces of Canada. The issuance of 1,776,800 common shares of the Company to Cemp Investments Ltd. on July 25, 1972, was authorized by the Québec Securities Commission.

12. **FISCAL YEAR**

The fiscal year of the Company ends on the last day of February of each year. The last annual meeting of the shareholders was held on June 1, 1972, at Montreal, Québec.

13. **ANNUAL MEETINGS**

The annual meeting of the shareholders shall be held on such day and at such time in each year as the board of directors may from time to time determine.

14. **HEAD OFFICE AND PRINCIPAL OFFICE**

The head office and principal office of the Company is at Suite 3300, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario.

15. **REGISTRAR AND TRANSFER AGENT**

The transfer agent and registrar for the common shares is The Royal Trust Company at its principal offices in the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver. No fee is charged on the transfer of the common shares other than the customary applicable government share transfer taxes.

The auditors of the Company are Price Waterhouse & Co., Chartered Accountants, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario.

## DIRECTORS AND OFFICERS

The names and home addresses of the directors and officers of the Company, the positions and offices held by each and their principal occupations for the past five years are as follows:

<u>Name and Home Address</u>	<u>Office</u>	<u>Principal Occupation</u>
Ernest Leo Kolber 100 Summit Circle Westmount, Québec	Chairman of the Board, Director	President, Cemp Investments Ltd.
Neil Roderick Wood 56 Douglas Drive Toronto, Ontario	President, Director	President, The Fairview Corporation Limited
Kenneth George Bream 48 Fairway Heights Drive Thornhill, Ontario	Vice-President, Development Director	Vice-President, Development, The Fairview Corporation Limited
Bernard Irvin Ghert 44 Crimson Millway Willowdale, Ontario	Vice-President, Finance, Director	Vice-President, Finance, The Fairview Corporation Limited
Marvin Jay Rothschild 24 Caribou Road Toronto, Ontario	Vice-President, Office Buildings, Director	Vice-President, Office Buildings, The Fairview Corporation Limited
Reginald George Stapley 10 Scenic Millway Willowdale, Ontario	Vice-President, Shopping Centres, Director	Vice-President, Shopping Centres, The Fairview Corporation Limited
Charles Rosner Bronfman 78 Summit Crescent Westmount, Québec	Director	Executive Vice-President, Distillers Corporation-Seagrams Limited
Rupert Beatty Carleton 478 Côte St. Antoine Road Westmount, Québec	Director	Vice-President and General Counsel, Cemp Investments Ltd.
Nathan Gesser 5012 Roslyn Avenue Montréal, Québec	Director	Vice-President, Finance, Cemp Investments Ltd.
Philip Fischel Vineberg 32 Summit Crescent Westmount, Québec	Director	Partner, Phillips & Vineberg
Frank Edward Barrie 60 Ashmount Crescent Weston, Ontario	Vice-President, Construction	Vice-President, Construction, The Fairview Corporation Limited
Stanley Harold Witkin 15 Glenorchy Road Don Mills, Ontario	Vice-President, Development	Vice-President, Development, The Fairview Corporation Limited
James Spence Stewart 55 Ridge Drive Toronto, Ontario	Secretary	Secretary and General Counsel, The Fairview Corporation Limited
René Guy Baby 4 Lafayette Place, Thornhill, Ontario	Treasurer and Assistant-Secretary	Treasurer, The Fairview Corporation Limited
Peter McNichol 7 Bathford Crescent Willowdale, Ontario	Controller and Assistant-Secretary	Senior Controller, The Fairview Corporation Limited

During the past five years all of the directors and officers of the Company have been employed in various capacities by the companies or firms indicated opposite their names under "Principal Occupation" except: J. S. Stewart who prior to March 1972 was employed by the governments of Ontario and of Canada; R. G. Baby who prior to May 1971 was employed by The Ontario Housing Corporation, and prior to January 1971 by A. E. LePage Limited; and P. McNichol who prior to March 1972 was employed by Price Waterhouse & Co.

No remuneration was paid by the Company to its directors and senior officers during the year ended February 29, 1972, or during the three months ended May 31, 1972. The aggregate remuneration paid by its subsidiaries to the senior officers named above during the year ended February 29, 1972, was \$286,067 and during the three months ended May 31, 1972, was \$92,392, and no amount was paid to such persons in their capacity as directors.

The estimated aggregate annual cost to the Company and its subsidiaries for the financial year ended February 29, 1972, of all pension benefits proposed to be paid, directly or indirectly, to the directors and senior officers of the Company named above in the event of retirement at normal retirement age was \$5,800.

# CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

THE FAIRVIEW CORPORATION OF CANADA LIMITED



Per: "B. I. GHERT",  
Vice-President

Per: "J. S. STEWART",  
Secretary

DATED, August 3, 1972.

## CERTIFICATE OF UNDERWRITERS

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

DATED August 3, 1972

WOOD GUNDY LIMITED

Per: "D. R. THOMPSON"

DOMINION SECURITIES CORPORATION LIMITED

Per: "A. L. MATHESON"

## DISTRIBUTION OF COMMON STOCK AS OF JULY 28, 1972.

<u>Number</u>						<u>Shares</u>
21	.....	Holders of	1 — 24	share lots	.....	247
67	.....	" "	25 — 99	" "	.....	3,170
160	.....	" "	100 — 199	" "	.....	16,625
74	.....	" "	200 — 299	" "	.....	15,095
26	.....	" "	300 — 399	" "	.....	7,825
16	.....	" "	400 — 499	" "	.....	6,400
37	.....	" "	500 — 999	" "	.....	21,150
105	.....	" "	1000 — up	" "	.....	9,106,288
<u>506</u>		Shareholders		Total shares		<u>9,176,800</u>

# SCHEDULE "A"

Name of Subsidiary	Manner of Incorporation	Nature of Business	Authorized Capital	Number of Shares Issued	Percentage of Voting Stock Owned
The Fairview Corporation Limited	Letters Patent	Real Estate Investment and Administration	2,000,000 redeemable preference shares with a par value of \$1.00 each 300,000 common shares without par value	500,000 redeemable preference 1,013 common	100%
Dominion Square Building Ltd.	Letters Patent	Real Estate Investment	50,000 common shares of the par value of \$1.00 each	20,000 common	100%
Fairview Residential Developments Limited	Memorandum of Association	Home Construction and Sale	1,000 common shares without par value	1 common	100% (owned by The Fairview Corporation Limited)
Le Carrefour Laval Ltée	Letters Patent	Real Estate Investment	485,000 preferred shares of the par value of \$1.00 each 6,000 Class "A" shares without par value 6,000 Class "B" shares without par value 12,000 Class "C" shares without par value 491,000 Class "D" shares without par value	420,806 preferred 4,900 Class "A" 4,900 Class "B" 10,200 Class "C" 420,806 Class "D"	51%
Woodbine-Sheppard Shopping Centre Limited	Letters Patent	Real Estate Investment	100 shares without par value	100 shares	50%
Lakeshore Shopping Plaza Ltd.	Letters Patent	Real Estate Investment	5,000 Class "A" shares of the par value of \$10 each 5,000 Class "B" shares of the par value of \$10 each	1,000 Class "A" 1,000 Class "B"	50%
Greenfield Park Shopping Plaza Limited	Letters Patent	Real Estate Investment	32,000 preferred shares of the par value of \$10 each 8,000 common shares of the par value of \$10 each	8,000 common	50%

SCHEDULE "A" Continued

Name of Subsidiary	Manner of Incorporation	Nature of Business	Authorized Capital	Number of Shares Issued	Percentage of Voting Stock Owned
Toronto-Dominion Centre Limited	Letters Patent	Real Estate Investment	45,000 non-voting preference shares with a par value of \$100 each 5,000 common shares without par value	10,000 preference 528 common	50%
Toronto-Dominion Centre West Limited	Letters Patent	Real Estate Investment	4,000 shares without par value	3	50% (wholly owned by Toronto-Dominion Centre Limited)
Les Galeries d'Anjou Limitée	Letters Patent	Real Estate Investment	5,000 Class "A" shares of the par value of \$10 each 5,000 Class "B" shares of the par value of \$10 each	1,000 Class "A" 1,000 Class "B"	50%
Pacific Centre Limited	Memorandum of Association	Real Estate Investment	12,600 6% preference shares with a nominal or par value of \$100 each 100,000 Class "A" common shares without nominal or par value 100,000 Class "B" common shares without nominal or par value 100,000 Class "C" common shares without nominal or par value	500 Class "A" common 500 Class "B" common 500 Class "C" common	33 1/3%
The Fairview Corporation (British Columbia) Limited	Memorandum of Association	Real Estate Investment	24,000 6% preference shares with a nominal or par value of \$100 each 100,000 Class A common shares without nominal or par value 100,000 Class B common shares without nominal or par value 100,000 Class C common shares without nominal or par value	1,000 Class A common 1,000 Class B common 1,000 Class C common	33 1/3%





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Preliminary Prospectus dated June 1, 1972

Nº 3713

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

New Issue

# The Fairview Corporation of Canada Limited

2000,000 **Common Shares**  
(without nominal or par value)

There is no market for the shares of the Company and the price for this offering was determined by negotiation between the Company and the underwriters.

Price:  $\$15$  per share

We as principals conditionally offer these common shares subject to prior sale, if, as and when issued by the Company and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" on page 3 and subject to the approval of all legal matters on behalf of the Company by Messrs. Phillips & Vineberg, Montreal, and on our behalf by Messrs. Wahn, Mayer, Smith, Creber, Lyons, Torrance & Stevenson, Toronto.

	Price to public	Underwriting discount	Proceeds to the Company*
Per share.....	\$	\$	\$
Total.....	\$	\$	\$

\*Before deducting expenses of issue estimated at \$150,000.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates in definitive form will be available for delivery on July 25, 1972.

52-million ~~debentures~~ notes held by Corp.

30-million -

5.6. outstanding -

2-million 76.

4956

2.

9.

1967

6.423



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### Purchasers' Statutory Rights of Withdrawal and Rescission

Sections 64 and 65 of The Securities Act (Alberta), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), sections 63 and 64 of The Securities Act (Manitoba) and sections 64 and 65 of The Securities Act (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution (described as "distribution to the public" under The Securities Act (Ontario)):

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has a right to rescind a contract for the purchase of such security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.



## The Company

The Fairview Corporation of Canada Limited, a subsidiary of Cemp Investments Ltd. ("Cemp"), was incorporated with the name Cemp Holdings Ltd. under the laws of Canada by letters patent dated December 9, 1959. By supplementary letters patent dated June 1, 1972, its name and share capital were changed to their present form. The head and principal office of The Fairview Corporation of Canada Limited is Suite 3300, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario.

In this prospectus, the term "Company" means The Fairview Corporation of Canada Limited, the term "Fairview" means the Company and its subsidiaries and Associated Companies collectively, and the term "Associated Companies" means companies in which the Company has an interest of from 33⅓% to 50%.

The Company also owns a 30.1% interest in Canadian Equity & Development Company Limited ("CEDC").

The Company is one of the largest Canadian real estate organizations and through subsidiaries and Associated Companies and by ownership of properties jointly with others is engaged in the investment in and development and administration of real estate in Canada. The principal subsidiary of the Company is The Fairview Corporation Limited ("FCL"), a wholly-owned subsidiary which resulted from the reorganizations of certain wholly-owned subsidiaries of the Company in the years 1967 to 1969 pursuant to which all of the properties previously held by such subsidiaries became properties of FCL. FCL also provides planning, development, financial and administrative services for the Company's subsidiaries, the Associated Companies and others.

The Company has arrangements with the other shareholders of the Associated Companies which, among other things, provide for management, financing including the provision of funds by the shareholders, control and disposition of shares and representation on the boards of directors. The other shareholders are in each case substantial Canadian corporations or a Canadian chartered bank and are prime tenants in properties of the Associated Companies. Associated Companies represent a major portion of Fairview's activities and in order to reflect the full scope of the business as a whole, this prospectus deals with the Associated Companies as an integral part of the Company's business. Accordingly, the financial statements included in this prospectus in addition to presenting the accounts of the Company and its subsidiaries and its investments in Associated Companies on a consolidated basis also provide accounts of the Company and its subsidiaries combined with those of the Associated Companies on the basis described in Note 2 on page 22 so that the accounts of the Associated Companies are included to the extent of the Company's interest therein rather than as investments in shares and advances.

## Application of Proceeds

The estimated net proceeds to the Company from the sale of the                      common shares offered hereby will amount to \$                      and will be used to repay an equivalent principal amount of notes evidencing loans made to the Company by Cemp for the purpose of providing the Company with funds for investment in and development of real estate. On July 25, 1972, Cemp will subscribe and pay for common shares of the Company at \$                      per share and the balance of such notes will be retired out of the proceeds.

## Plan of Distribution

Under an agreement dated June                      , 1972 between the Company and Wood Gundy Limited and Dominion Securities Corporation Limited, as underwriters, the Company agreed to sell                      common shares and the underwriters jointly and severally agreed to purchase on July 25, 1972, subject to the terms and conditions stated therein, all but not less than all of such shares at a price of \$                      per share payable in cash against delivery of such shares. The obligations of the underwriters under such agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and also may be terminated upon the occurrence of certain stated events.



## Capitalization

The following table sets forth the consolidated capitalization of the Company and its subsidiaries.

	Authorized	Outstanding February 29, 1972	Outstanding May 31, 1972	Outstanding May 31, 1972 after giving effect to the transactions described in Note (3)
<b>THE FAIRVIEW CORPORATION OF CANADA LIMITED</b>				
Indebtedness to CEMP INVESTMENTS LTD.				
Interest bearing obligation due 1972 to 1975 (1).....	—	\$ 3,652	\$ 2,823	\$ 2,823
Interest free obligation due 1972 to 1975 (1).....	—	52,099	52,099	
Total.....		(in thousands of dollars)		
		\$ 3,652	\$ 2,823	
		52,099	52,099	
<b>COMMON STOCK</b>				
Common shares without nominal or par value (4).....	15,000,000 shs.	5,600,000 shs.	5,600,000 shs.	5,600,000 shs.
		(\$100)	(\$100)	(\$100)
<b>INDEBTEDNESS OF SUBSIDIARIES</b>				
The Fairview Corporation Limited (100%-owned)				
First mortgage sinking fund bonds				
7 1/4%, due November 30, 1975.....	\$ 3,600	\$ 1,857	\$ 1,857	\$ 1,857
6 3/4%, due September 1, 1974 (5).....	1,900	1,655	1,655	1,655
Mortgage loans				
9 1/2%, due December 1, 1996 (6).....	9,100	9,079	9,038	9,038
9 1/2%, due July 1, 1986 (6).....	10,800	10,750	10,730	10,730
Sundry (7).....	20,974	12,001	17,656	17,656
Loans due on demand or in 1973 (5) (8).....	6,000	6,000	6,000	6,000
Fairview Holdings (Ontario) Limited (100%-owned)				
Collateral mortgage loan due April 8, 1973 (5) (9).....	4,000	4,000	4,000	4,000
Dennison Square Building Limited (100%-owned)				
6 1/2% mortgage loan due January 1, 1978.....	6,000	3,877	3,819	3,819
Le Carrefour Laval Limitée (51%-owned)				
Loans due September 30, 1974 (10).....	—	1,358	1,358	1,358
	—	465	465	465

**MINORITY INTEREST IN A SUBSIDIARY**.....

Note (1) This obligation resulted from the agreement described in (ii) under "Interest of Management and Others in Material Transactions" on page 16.

(2) These notes have no stated maturity and bore interest at varying rates. The rate at February 29, 1972 was 10 1/2% and thereafter these notes bore no interest.

(3) As described under "Application of Proceeds" on page 3 these notes will be retired on July 25, 1972 out of the proceeds of this issue together with the proceeds of an issue to Cemp of common shares of the Company.

(4) The authorized and issued share capital gives effect to the issue of supplementary letters patent dated June 1, 1972 pursuant to which the authorized capital was increased from 15,000,000 preferred shares and 1,000,000 common shares to 15,000,000 common shares and the 1,000,000 issued common shares were subdivided into 5,000,000 common shares. 2,000,000 common shares will be reserved for issue to employees as described under "Employee Share Purchase and Stock Option Plans" on page 15.

(5) Cemp has entered into guarantee or deficiency agreements in respect of this indebtedness. The Company has agreed to fulfil Cemp's obligations under these agreements as described in (vii) under "Interest of Management and Others in Material Transactions" on page 16.

(6) Guaranteed by the Company.

(7) These loans have varying terms and maturities and bear interest at rates which range from 6 1/4% to 9 1/2% per annum with an average annual interest rate of 7 1/2%. At February 29, 1972 and May 31, 1972 \$1,114,000 principal amount and \$5,101,000 principal amount, respectively, were guaranteed by Cemp, and the Company has agreed to fulfil Cemp's obligations as described in (vii) under "Interest of Management and Others in Material Transactions" on page 16.

(8) These loans bear interest at a rate of 1 1/4% over the lender's borrowing rate for 90 day guaranteed investment receipts and mature as to \$1,000,000 on April 8, 1973 and as to \$5,000,000 on December 31, 1973 or on demand after 180 days' notice.

(9) This loan bears interest at a rate of 1 1/4% over the lender's borrowing rate for 90-day guaranteed investment receipts.

(10) This loan bears interest at a rate of 1 1/4% over the bank prime rate except for \$135,000 which bears interest at 5 1/4%. \$1,223,000 will mature on the date of commencement of construction if such date is prior to September 30, 1974.

(11) Reference is made to Note 13(c) on page 25 for particulars of lease obligations.



The following table sets forth the proportion of the indebtedness of Associated Companies represented by the Company's ownership interest in such Associated Companies (1).

	Authorized	Outstanding February 29, 1972	Outstanding May 31, 1972
		(in thousands of dollars)	
Toronto-Dominion Centre Limited (50%-owned)			
First mortgage sinking fund bonds (2)			
5½% Series A due April 1, 1989.....	\$10,000	\$ 9,536	\$ 9,536
4.85% Series B due October 1, 1989.....	12,500 U.S.	13,290	13,290
4.85% Series C due October 1, 1990.....	7,500 U.S.	8,104	8,104
5½% Series D due October 1, 1991.....	5,000 U.S.	5,407	5,407
6½% Series E due October 1, 1992.....	17,500 U.S.	18,960	18,960
8% Series F due June 15, 1993.....	12,500	12,500	12,500
Woodbine-Sheppard Shopping Centre Limited (50%-owned)			
8½% first mortgage sinking fund bonds Series A, due August 1, 1993 (2).....	8,750	8,750	8,750
8½% promissory note due August 1, 1993.....	—	550	550
Lakeshore Shopping Plaza Ltd. (50%-owned)			
5¾% first mortgage serial bonds due April 15, 1976.....	1,000	500	400
6% first mortgage sinking fund bonds due April 15, 1990.....	5,250	5,250	5,250
Les Galeries d'Anjou Limitée (50%-owned)			
9½% mortgage loan due August 31, 1993.....	10,000	10,000	10,000
Loan from Cemp due February 15, 1974 (3).....	—	3,850	3,850
Greenfield Park Shopping Plaza Limited (50%-owned)			
6% first (closed) mortgage sinking fund bonds due July 4, 1987..	828	678	661
Pacific Centre Limited (33⅓%-owned)			
First mortgage sinking fund bonds (2)			
8½% Series A due March 1, 1994.....	6,667	6,667	6,667
9¾% Series B due January 1, 1995.....	2,666	2,666	2,666
8% Series C due February 15, 1996.....	3,000	3,000	3,000

Notes (1) The total authorized and outstanding indebtedness of 50%-owned companies and 33⅓%-owned companies is twice and three times respectively that shown. The aggregate of such indebtedness at February 29 and May 31, 1972 was \$231,749,000 and \$231,715,000 respectively, of which the Company's proportion was \$109,708,000 and \$109,691,000, respectively.

(2) The total amount of these bonds of the Associated Companies also have the benefit of joint and several obligations by way of guarantee and/or partial deficiency agreements of Cemp and the shareholder or shareholders (other than the Company) of the Associated Companies. The Company has agreed with Cemp to fulfill its portion of Cemp's obligations under these agreements as is equal to the percentage of the Company's ownership interest in such Associated Companies.

(3) This loan bears interest at a rate 1% over the bank prime rate.

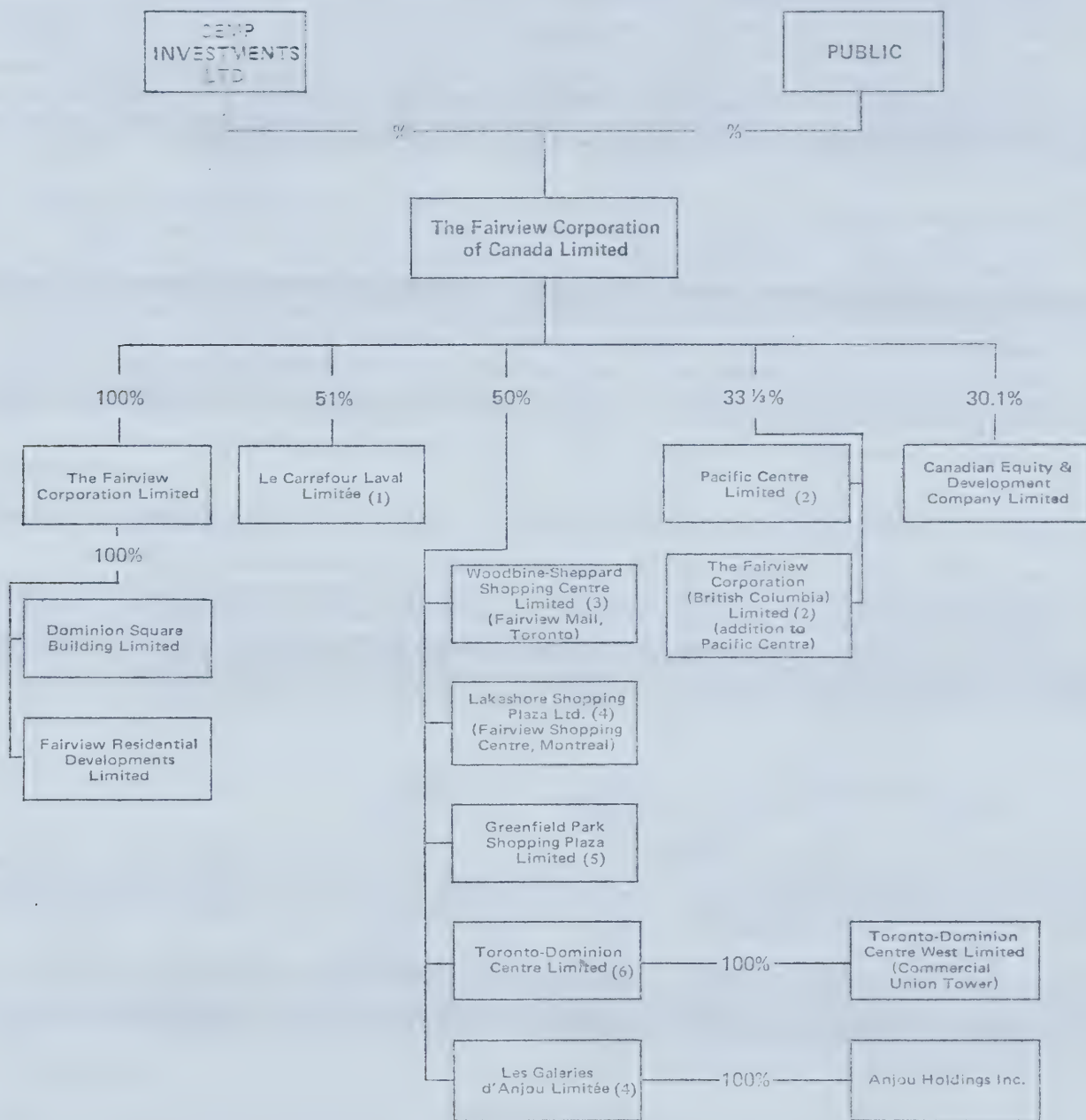
(4) Reference is made to Note 13(c) on page 25 for particulars of lease obligations.

5. U.S. dollar conversions are at historical rates.



## Corporate Structure

The following chart illustrates, after giving effect to the transactions described under "Application of Proceeds" on page 3, the corporate structure of the Company and its principal subsidiaries and Associated Companies and the Company's interest in CEDC.



Note: The other shareholders in these companies are as follows:



## Business and Properties

The Company has interests, apart from its interest in CEDC, in completed shopping centres, office buildings and other properties having an aggregate rentable area of approximately 10.6 million square feet. These properties include 13 shopping centres in five provinces with an aggregate rentable area of approximately 4.5 million square feet, and nine office buildings with an aggregate rentable area, including retail and garage space, of approximately 5.0 million square feet. In addition, as described under "Office Buildings" and "New Developments", the Company has interests in three office buildings and a department store, all under construction, which will have an aggregate rentable area of approximately 1.4 million square feet. Other developments are in various stages of study and planning. Fairview's properties are owned in freehold except where specifically noted to the contrary and substantially all are held subject to mortgages.

FCL has considerable experience in site selection and the planning, development, financing and administration of real estate projects. FCL is responsible for the administration of all of its own properties, properties owned by Associated Companies and all the shopping centres in which CEDC has an interest. FCL has also administered the development of most of the properties in which the Company has interests apart from those owned by CEDC. In addition, FCL administers for fees, which the Company considers to be reasonable, several properties which have an aggregate rentable area of approximately 1.3 million square feet and which are owned by certain directors and officers of the Company and of Camp and by others.

A description of the business and properties of Fairview is set out below. All references to areas are approximate.

### *Growth of the Business*

The growth of the business of Fairview during recent years is illustrated in the following table which sets out Fairview's combined revenue and its combined cash flow from operations (before interest to parent company) for the six financial periods ended February 29, 1972. Reference is made to the combined statements of income and of source and use of cash on pages 19 and 21 respectively.

	Year ended August 31		Six months ended February 28	Year ended		
	1967	1968	1969 (1)	February 28 1970	February 29 1971	February 29 1972
	(in thousands)					
Revenue:						
Property income.....	\$11,670	\$16,719	\$ 6,192	\$22,673	\$27,594	\$30,881
Fee income.....	365	468	469	787	810	794
	<u>\$12,035</u>	<u>\$17,187</u>	<u>\$ 6,661</u>	<u>\$23,460</u>	<u>\$28,404</u>	<u>\$31,675</u>
Cash flow from operations.....	\$ 2,323	\$ 3,746	\$ 2,161	\$ 4,606	\$ 5,528	\$ 8,329 (3)
Per share (2) .....	\$	\$	\$	\$	\$	\$

Notes (1) As described in footnote (a) to the statement of income on page 19, the results for this period are not comparable with those of the 12-month periods.

(2) Based on the common shares to be outstanding after giving effect to the transactions described under "Application of Proceeds" on page 3.

(3) Excludes equity in net income of CEDC.



Fairview's growth in terms of the approximate amount of rentable square feet in its properties at the end of each of the five calendar years ended December 31, 1971 and at May 31, 1972 is illustrated below:

	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
	(in thousands of square feet)					(at May 31)
Completed properties held at beginning of year.....	3,698	5,765	6,805	7,915	8,619	9,054
Properties completed or acquired during the period (1).....	<u>2,067</u>	<u>1,040</u>	<u>1,110</u>	<u>704</u>	<u>435</u>	<u>1,581</u>
Completed properties held at end of period.....	<u>5,765</u>	<u>6,805</u>	<u>7,915</u>	<u>8,619</u>	<u>9,054</u>	<u>10,635</u>
Company's interest in the above properties held at end of period (2).....	4,446	4,966	5,521	5,940	6,331	6,981

Notes (1) The principal properties completed or acquired were as follows: 1967—Toronto Dominion Bank Tower, banking hall, shopping concourse and parking (Toronto-Dominion Centre) and Dominion Square Building; 1968—Les Galeries d'Anjou and two other buildings; 1969—Royal Trust Tower (Toronto-Dominion Centre); 1970—Fairview Mall (Toronto) and a parking garage; 1971—77 Bloor Street West; 1972—Toronto Dominion Bank Tower and shopping concourse and parking (Pacific Centre); 1440 St. Catherine Street West.

(2) This represents all of the space in wholly-owned properties and the Company's proportionate share of space in other properties in which the Company has an interest other than through CEDC.

### *Shopping Centres*

FCL owns nine shopping centres in metropolitan areas as follows: Fairview Plaza, Saint John; Maisonneuve Shopping Centre, Montreal, built on land leased for a term expiring in 2023; Parkway Plaza and Cedarbrae Plaza, Toronto; Fairview Park, Kitchener; Fairview Mall, St. Catharines; Polo Park Shopping Centre, Winnipeg; Bonnie Doon Shopping Centre, Edmonton; and North Hill Shopping Centre, Calgary. These shopping centres have an aggregate rentable area of approximately 2.3 million square feet and produced gross revenue for the year ended February 29, 1972 of approximately \$8.1 million. There is a department store adjacent to or forming an integral part of each of the above shopping centres, with the exception of Fairview Park and Polo Park Shopping Centre, which have two department stores each and Maisonneuve Shopping Centre which does not have a department store. Of the ten department store buildings, three are owned by FCL and one is on land leased from FCL. The areas of department store buildings not owned by FCL are not included in the rentable area of 2.3 million square feet described above.

The Company has a 50% interest in four shopping centres in metropolitan areas as follows: Greenfield Park Shopping Centre, Montreal, a small free-standing part of which is on land leased for a term expiring in 1989, and administration of which is shared with the other shareholder; Fairview Shopping Centre, Montreal, on land leased for a term expiring in 2022 with options to purchase at a price of approximately \$18,000 per acre; Les Galeries d'Anjou, Montreal; and Fairview Mall, Toronto, on land leased from FCL for a term expiring in 2070. Woodbine-Sheppard Shopping Centre Limited, which owns Fairview Mall, has an option to purchase the land in 2020 at not more than \$75,000 per acre. These shopping centres have an aggregate rentable area of approximately 2.3 million square feet which produced gross revenue for the year ended February 29, 1972 of approximately \$13.4 million, 50% of which is included in the combined financial statements.

Approximately 99% of the space in Fairview's shopping centres was leased at February 29, 1972. Substantially all of the leases contain "escalation" clauses which require tenants to pay for increases in operating expenses and real estate taxes or clauses which require tenants to pay their share of such expenses and taxes. Most of the leases, with the exception of certain leases such as those with some department stores, provide that tenants pay a minimum rent or a percentage of sales, whichever is higher, thus permitting Fairview to benefit from the growth in sales volume in the centres.



The following table sets forth the growth in retail sales reported by tenants, other than department stores, in Fairview's shopping centres whose leases provide for the payment of a percentage rental in the five calendar years ended December 31, 1971;

	<u>1967</u>	<u>1968</u>	<u>1969</u> (in thousands)	<u>1970</u>	<u>1971</u>
Retail sales in shopping centres held at January 1, 1967 .....	\$109,100	\$122,900(1)	\$137,900(1)	\$148,600	\$157,700
Retail sales in shopping centres opened during the period:					
Les Galeries d'Anjou .....	—	12,700(2)	26,800	29,400	32,900
Fairview Mall (Toronto) .....	—	—	—	15,300(2)	34,300
Total retail sales (3) .....	<u>\$109,100</u>	<u>\$135,600</u>	<u>\$164,700</u>	<u>\$193,300</u>	<u>\$224,900</u>

Notes (1) Part of these increases were due to the expansion of certain of the shopping centres.

(2) Sales for five-month periods.

(3) Includes retail sales of one shopping centre for the years ended August 31.

Each of Fairview's shopping centres has a merchants' association of which the owner is a member. The primary activity of the merchants' associations is the promotion of business in the shopping centres.

The following is a summary of certain particulars of the shopping centres including the Company's interest therein:

	<u>Year of opening</u>	<u>Land area (1)</u> (acres)	<u>Rentable area (1)(2)</u> (square feet)	<u>Leased at February 29, 1972 (1)</u>
100%-owned				
Fairview Plaza				
Saint John .....	1960	8.8	93,000	96%
Maisonneuve Shopping Centre				
Montreal .....	1959	8.6 (3)	139,000	92%
Parkway Plaza				
Toronto .....	1958	18.8	280,000	100%
Cedarbrae Plaza				
Toronto .....	1960	30.0	152,000	97%
Fairview Park				
Kitchener .....	1966	14.7	137,000	100%
Fairview Mall				
St. Catharines .....	1961	18.1	194,000	99%
Polo Park Shopping Centre				
Winnipeg .....	1959	44.5	585,000	97%
Bonnie Doon Shopping Centre				
Edmonton .....	1959	31.1	415,000	99%
North Hill Shopping Centre				
Calgary .....	1958	18.0	288,000	100%
		<u>192.6</u>	<u>2,283,000</u>	
50%-owned (4)				
Greenfield Park Shopping Centre				
Montreal .....	1961	26.4	358,000	100%
Fairview Shopping Centre				
Montreal .....	1965	74.0 (3)	573,000	100%
Les Galeries d'Anjou				
Montreal .....	1968	59.0	762,000	100%
Fairview Mall				
Toronto .....	1970 *	46.5 (3)	570,000	100%
		<u>205.9</u>	<u>2,263,000</u>	
		<u>398.5</u>	<u>4,546,000</u>	

Notes (1) Approximate.

(2) Includes rentable office space.

(3) Land held under lease.

(4) The total area is shown for these centres.

### Office Buildings

FCL owns three office buildings and has a leasehold interest in another. These are the 12-storey Dominion Square Building and the four-storey 2100 Papineau building in Montreal, the 10-storey 500 University Avenue building in Toronto and the 14-storey 130 Bloor Street West building in Toronto held under a lease which expires in 2013. These buildings have an aggregate rentable area of approximately 602,000 square feet of office and retail space and approximately 133,000 square feet of parking



space. FCL has a 90% interest in 77 Bloor Street West in Toronto, a 21-storey office building on land leased for a term expiring in 2071 which has a rentable area of approximately 370,000 square feet and approximately 65,000 square feet of parking space. FCL's revenue from the above office buildings for the year ended February 29, 1972 was approximately \$6 million.

In May 1972 FCL acquired a 75% interest in the 10-storey 1440 St. Catherine Street West building in Montreal which has a rentable area of approximately 211,000 square feet of office and retail space and approximately 84,000 square feet of parking space.

The Company has a 50% interest in the Toronto-Dominion Centre in downtown Toronto, which is one of the largest developments of its type in Canada. It includes the 56-storey Toronto Dominion Bank Tower with approximately 1,329,000 square feet of rentable space and a free-standing banking hall of approximately 23,000 square feet both on land leased from the other shareholder of Toronto-Dominion Centre Limited for a term expiring in 2064 and the 46-storey Royal Trust Tower with approximately 978,000 square feet of rentable space. Under this complex are a shopping concourse with approximately 147,000 rentable square feet and a garage with approximately 300,000 square feet of parking space. The revenue from the Toronto-Dominion Centre for the twelve months ended February 29, 1972 was approximately \$22.6 million. The combined financial statements include revenue from the Toronto-Dominion Centre of approximately \$9.4 million being the Company's share of the revenue for the fiscal ten months then ended.

An addition to the Toronto-Dominion Centre is currently under construction which will include the 32-storey Commercial Union Tower with approximately 513,000 square feet of rentable office space in which Commercial Union Assurance Company will be the major tenant, approximately 27,000 square feet of rentable retail space which will be integrated with the existing shopping concourse and a garage with approximately 87,000 square feet of parking space. FCL is supervising this development for a fee. Since April 30, 1972 an agreement has been entered into for an initial amount of \$28 million of long-term financing which initial amount represents approximately 80% of the estimated total cost of the development.

Incidental to its activities, Toronto-Dominion Centre Limited has acquired ownership of certain lands adjacent to the Toronto-Dominion Centre including a building site of approximately 32,000 square feet of land and a leasehold interest in a 12-storey office building nearby.

Approximately 99% of the space in the completed buildings described above was leased at February 29, 1972. The tenants include a variety of industrial, commercial, financial, professional and retail firms and government departments. Almost all of the leases contain "escalation" clauses which require tenants to pay for increases in operating expenses and real estate taxes or clauses which require tenants to pay their share of such expenses and taxes. Most of the leases of retail space also provide that tenants pay the greater of a minimum rent or a percentage of sales.

The Company has a 33 $\frac{1}{3}$ % interest in Pacific Centre in downtown Vancouver the first phase of which is on land leased for a term expiring in 2068. This first phase includes the 30-storey Toronto Dominion Bank Tower with approximately 471,000 square feet of rentable space, which is in the process of being occupied and for which the first rental payments were received in October 1971 and a five-storey Eaton department store with approximately 480,000 square feet of rentable space which is currently under construction and is expected to be completed in the fall of 1972. The first phase also includes approximately 35,000 square feet of rentable retail space and approximately 300,000 square feet of parking space which is leased to the City of Vancouver. No revenue from Pacific Centre is included in the combined financial statements for the year ended February 29, 1972. FCL has been supervising this development for a fee.

Construction of the second phase of Pacific Centre is to commence in 1972 in the adjacent block on land which is leased for a term expiring in 2060 with an option to purchase between 1982 and 2005 at a price of \$7 million increasing to approximately \$8.6 million at the end of the option period. It is expected that the first part of such expansion will include an office building with approximately 229,000 square feet of rentable space in which IBM Canada Ltd. is expected to be the major tenant, approximately 183,000 square feet of rentable retail space, approximately 300,000 square feet of parking space to be leased to the City of Vancouver and a Four Seasons hotel of approximately 400 rooms and ancillary facilities. Construction



of the hotel is conditional upon the approval of the City of Vancouver and certain cost considerations. FCL is supervising the development of the second phase of Pacific Centre for a fee.

A retail mall under Georgia Street will integrate the retail developments in both phases of Pacific Centre and a proposed retail mall under Granville Street would integrate such developments with the department store of Hudson's Bay Company.

The following is a summary of certain particulars of the office buildings including the Company's interest therein:

	Year of opening	Number of storeys	Rentable area (1)(9)				Leased at February 29, 1972 (1)(2)
			Office (2)	Retail	Parking	Total	
				(square feet)			
100%-owned							
Dominion Square Building							
Montreal (acquired in 1967).....	1929	12	228,000	52,000	120,000	400,000	98%
2100 Papineau							
Montreal.....	1957	4	40,000	—	5,000	45,000	100%
130 Bloor Street West (S.)							
Toronto.....	1961	14	149,000	18,000	8,000	175,000	100%
500 University Avenue							
Toronto.....	1960	10	115,000	—	—	115,000	79%
			<u>532,000</u>	<u>70,000</u>	<u>133,000</u>	<u>735,000</u>	
90%-owned							
77 Bloor Street West (4)							
Toronto.....	1971	21	346,000	24,000	65,000	435,000	100%
75%-owned							
1440 St. Catherine Street West							
Montreal.....	1968	12	204,000	7,000	84,000	295,000	94%(5)
50%-owned							
Toronto-Dominion Centre (6)							
Toronto							
Toronto Dominion Bank Tower..	1967	56	1,329,000	—	—	1,329,000	100%
Royal Trust Tower.....	1969	46	978,000	—	—	978,000	98%
Banking Hall.....	1967	1	23,000	—	—	23,000	100%
Shopping concourse.....	1967/69	—	—	147,000	—	147,000	100%
Parking.....	1967/69	—	—	—	300,000	300,000	100%
			<u>2,330,000</u>	<u>147,000</u>	<u>300,000</u>	<u>2,777,000</u>	
33 1/3%-owned							
Pacific Centre (4)							
Vancouver							
Toronto Dominion Bank Tower..	1971	30	471,000	—	—	471,000	82%(7)
Eaton store.....	1972	5	—	480,000	—	480,000	100%(8)
Shopping concourse.....	1971	—	—	35,000	—	35,000	100%
Parking.....	1971	—	—	—	300,000	300,000	100%
			<u>471,000</u>	<u>515,000</u>	<u>300,000</u>	<u>1,286,000</u>	
			<u>3,883,000</u>	<u>763,000</u>	<u>882,000</u>	<u>5,528,000</u>	

Notes (1) Approximate.

(2) The rentable area for the 100%-owned and 75%-owned buildings are shown on an as leased basis. The rentable area of the other buildings is based on the American Standards Association basis for full-floor tenancies. The actual rentable area in any building will vary from time to time depending on the subdivisions of space between full-floor and part-floor tenancies. The percentage leased for each building is the percentage of the actual rentable area as the building was in fact subdivided at the time.

(3) Leasehold interest.

(4) Land held under lease.

(5) In May 1972, the date of acquisition.

(6) The Toronto Dominion Bank Tower, the banking hall and a portion of the shopping concourse and parking is on leased land.

(7) In the process of being occupied. The percentage stated represents the proportion of space which is either leased or committed to be leased.

(8) Under construction, to be opened in the fall of 1972.

(9) The total rentable area is shown for properties owned less than 100%.

### Other Income-producing Properties

FCL has interests in two multi-level parking garages in Toronto and a small apartment building and three other buildings in Montreal. The Company's share of the aggregate revenue of these properties in the year ended February 29, 1972 was \$686,000.

### New Developments

As part of its continuing programme of expansion Fairview has a number of projects scheduled for development apart from the additions to the Toronto-Dominion Centre and Pacific Centre described above and also has other projects in various stages of study or planning.

The realization of any development opportunity is contingent upon a number of factors, including local rental opportunities, cost of construction, availability and cost of financing and conformity with



local building codes and other applicable laws and regulations. Accordingly the feasibility of any development opportunity including those described below, and the value of any lands held for development may change as such factors vary.

#### *Shopping Centres*

Le Carrefour Laval Limitée, a 51%-owned subsidiary of the Company, owns a large site for the development of a regional shopping centre in the City of Laval, near Montreal. The other shareholders are entitled to representation on the board of directors and to certain other rights relating to the business of the Company. The proposed centre will have a rentable area of approximately 840,000 square feet, of which approximately 120,000 square feet will be built by a department store on land leased from Le Carrefour Laval Limitée. The centre will contain two other department stores, a supermarket and a major hardware store which in the aggregate will occupy approximately 400,000 square feet. It is expected that construction will commence in 1972 and FCL will supervise the development and operations for fees. In May 1972 Le Carrefour Laval Limitée arranged long-term financing in the amount of \$21.2 million to cover the estimated cost of the development of the centre. In addition, Le Carrefour Laval Limitée owns 46 acres adjacent to the shopping centre site on which it intends to develop or cause to be developed in due course multi-family dwelling units, office buildings and other related commercial facilities.

FCL has agreed to acquire a 50% interest in a site of approximately 45 acres in Richmond Hill, a suburb of Metropolitan Toronto. It has entered into arrangements with the party who will hold the other 50% interest for the development of a regional shopping centre with a proposed rentable area of approximately 400,000 square feet. While no firm date has been established, present indications are that construction will commence by mid-1973. FCL will supervise the development and operations for fees.

FCL has acquired a site in Ontario for the development of a shopping centre, scheduled to be opened in late 1973, which will have a rentable area of approximately 100,000 square feet of retail space owned by FCL. A department store on adjoining land which will not be owned by FCL will be an integral part of the centre.

FCL has acquired a 50% interest in a site of approximately 80 acres in Pickering, a suburb of Metropolitan Toronto. It has also agreed to purchase or has options to purchase one site and is negotiating for the acquisition of a 51% interest in a leasehold in another site, both in communities south of the St. Lawrence River near Montreal. FCL is studying the feasibility of developing a regional shopping centre and other facilities on either of these sites.

FCL is presently expanding Cedarbrae Plaza in Toronto by the enclosure of the mall and by the addition of approximately 27,000 square feet of retail space and is also planning the enclosure of the mall in North Hill Shopping Centre in Calgary.

In addition to the above, FCL holds approximately 62 acres and the Associated Companies hold approximately 126 acres (part of which is held under lease) adjacent to existing shopping centres or elsewhere for expansion or other uses.

#### *Office Buildings*

There is presently being completed by FCL, on a portion of six acres of land owned by it adjacent to Fairview Mall in Metropolitan Toronto, an office building (5 Fairview Mall Drive) which has approximately 80,000 square feet of rentable space and for which long-term financing in the amount of \$1.9 million has been arranged to cover the cost of construction. Other lands owned by FCL adjacent to Fairview Mall are sufficient for buildings containing approximately 200,000 square feet of additional office space. An interest of up to 50% in these buildings may be acquired at cost, including development fees payable to FCL, by one of the other shareholders of Woodbine-Sheppard Shopping Centre Limited. In such event this other shareholder would acquire a 50% leasehold interest in the land.

FCL has a 44.4% interest in an office building under construction in downtown Ottawa for which long-term financing in the amount of approximately \$5 million has been arranged. The building will have a rentable area of approximately 174,000 square feet and is scheduled for completion in 1972.

FCL owns a site for the development of an office building containing approximately 200,000 square feet in Calgary and also has a 44.4% interest in a site at the corner of Bay and Charles Streets in Toronto the present zoning for which would permit the construction of an office complex of approximately 600,000 square feet.



### *Residential*

Fairview Residential Developments Limited, a wholly-owned subsidiary of FCL, has entered into agreements with an experienced residential builder and a residential real estate broker whereby FCL will participate as to 65% in the construction and sale under the name West Credit River Homes of single family dwellings in the new community of Erin Mills to which reference is made below. Arrangements have been made to acquire land and for the construction and offering for sale of 73 homes for which mortgage financing has been arranged. Arrangements have also been made for the acquisition of land for an additional 27 homes. It is intended that similar arrangements will be entered into for participation in other residential developments in the future.

Anjou Holdings Inc., a 50% owned Associated Company, has called for tenders for the construction on some of its land in the vicinity of Les Galeries d'Anjou of a number of buildings containing 312 apartment suites and 5,800 square feet of rentable retail space. The project will be constructed if construction costs tendered are satisfactory. The project would be financed by Central Mortgage and Housing Corporation in the limited dividend category. FCL will administer this development for a fee.

### *Downtown Toronto Project*

FCL, under the provisions of an agreement with The T. Eaton Company Limited ("Eaton"), has been examining the possibility of undertaking a major urban renewal project to contain retail and office facilities with related parking on lands which would, under certain conditions, be acquired from Eaton and others in the area bounded by Queen, Yonge, Dundas, Bay, Albert and James streets in downtown Toronto which area contains approximately 642,000 square feet of land. It is expected that the cost of acquisition of the land would be in the general order of \$30 million. Certain lands have been acquired by FCL from other than Eaton.

The chief elements of the development on the eastern portion of the land would consist of a major office building at the north end of the site, a major Eaton department store near the corner of Yonge and Dundas Streets to replace the existing Queen Street Eaton department store, an enclosed retail development in three levels containing approximately 500,000 square feet of rentable space parallel to Yonge Street extending from the new Eaton store south to Queen Street with connections to the existing Simpson's department store, and parking space of approximately 600,000 square feet. Another major office building is proposed for the south end of the site to be developed as market conditions warrant. It is contemplated that the eastern portion of the lands would be developed over a period of approximately seven years following commencement of construction.

It is presently estimated that the cost of the entire development of the eastern portion of the site, totalling approximately 434,000 square feet of land, would be approximately \$150 million.

No development plans have been formulated for the western portion of the lands which consist of approximately 208,000 square feet of land. Development of these lands would not commence until the completion of the new Eaton department store and the removal of the existing buildings in that area.

Under certain circumstances Eaton would have an opportunity to participate to a maximum of 30% in the ownership of the development. The full extent of such ownership will be determined only after other conditions have been met.

The feasibility of proceeding with this project is dependent on many factors, including the arrangement of financing, the relocation of services and utilities, the closing of streets and lanes, the acquisition of the balance of the required lands at satisfactory cost and agreements for access to and extension of subway stations. Further negotiations and study with respect to these and other matters must take place before a decision can be made whether to proceed with the project. Such decision is expected to be made prior to the end of 1972.

Excluding land acquisition costs, FCL had deferred planning costs for such items as architectural, legal and other consulting fees of \$671,000 to February 29, 1972. If the project does not proceed and if the land already acquired were to be disposed of it is expected that some loss may be incurred but the amount of such loss, if any, cannot be estimated. Under an agreement with Cemp described in (vii) under "Interest of Management and Others in Material Transactions" on page 16 Cemp will assume any losses in excess of \$1 million which may be sustained by FCL if this project does not proceed.



### Other

Cemp has been examining the possibility of a major redevelopment project in a large urban centre in Canada. The costs of such examination have been carried by Cemp which has agreed with the Company that, at the option of the Company, it may acquire Cemp's interest in the project for an amount equal to Cemp's cost at the date of transfer. In the event that the Company does not exercise this option, Cemp will not proceed with this project.

### Canadian Equity & Development Company Limited

The Company owns 1,458,104 (30.1%) of the outstanding shares of CEDC which, through its wholly-owned subsidiary Don Mills Developments Limited ("DMD"), is engaged primarily in the acquisition, development, subdivision and sale of lands and in the development and ownership of income producing properties. Under arrangements between the Company and Cadillac Development Corporation Limited, which owns approximately 42% of the outstanding shares, both parties are entitled to equal representation on the board of directors of CEDC and there are provisions relating to the control and disposition of shares. The closing price of the shares of CEDC on The Toronto Stock Exchange on May 31, 1972 was \$12 $\frac{1}{8}$  per share.

DMD owns approximately 6,800 acres, located west of Metropolitan Toronto in the towns of Mississauga and Oakville, which is the remaining portion of approximately 7,000 acres being developed as an integrated new community known as "Erin Mills" to house approximately 150,000 people and which will include commercial and industrial developments. After many years of planning and development, sales of residential lots to builders commenced in 1971. A parts warehouse with an area of 805,000 square feet is leased to Chrysler Canada Ltd., and a 20,000 square foot multiple-tenant industrial building was fully leased at April 30, 1972. Residential, commercial and industrial developments are continuing.

DMD owns four shopping centres and has a 50% interest in two others. These are: Don Mills Shopping Centre, Parkwoods Village Shopping Centre, York Mills Shopping Centre and Victoria Park Mall (50%), all in Metropolitan Toronto; Greater Hamilton Shopping Centre, Hamilton, Ontario; and Brampton Shopping Centre (50%), Brampton, Ontario. These shopping centres have an aggregate rentable area of approximately 886,000 square feet and are administered by FCL. They also contain approximately 202,000 square feet of rentable space in buildings on land leased from DMD. DMD also owns The Towne, an integrated apartment, shopping and commercial complex in Toronto.

### Directors and Officers

<u>Name and home address</u>	<u>Office</u>	<u>Principal occupation</u>
ERNEST LEO KOLBER..... 756 Lexington Avenue, Westmount, Quebec	Chairman of the Board, .... Director	President, Cemp Investments Ltd.
NEIL RODERICK WOOD..... 56 Douglas Drive, Toronto, Ontario	President,..... Director	President, The Fairview Corporation Limited
KENNETH GEORGE BREAM..... 48 Fairway Heights Drive, Thornhill, Ontario	Vice-President,..... Development Director	Vice-President, Development, The Fairview Corporation Limited
BERNARD IRVIN GHERT..... 44 Crimson Millway, Willowdale, Ontario	Vice-President, Finance, .... Director	Vice-President, Finance, The Fairview Corporation Limited
MARVIN JAY ROTHSCHILD..... 24 Caribou Road, Toronto, Ontario	Vice-President,..... Office Buildings, Director	Vice-President, Office Buildings, The Fairview Corporation Limited
REGINALD GEORGE STAPLEY..... 10 Scenic Millway, Willowdale, Ontario	Vice-President,..... Shopping Centres, Director	Vice-President, Shopping Centres, The Fairview Corporation Limited



<u>Name and home address</u>	<u>Office</u>	<u>Principal occupation</u>
CHARLES ROSNER BRODZMAN..... 75 Summit Crescent, Westmount, Quebec	Director.....	Executive Vice-President, Distillers Corporation Seagrams Limited
RUPERT BEATTY CARLETON..... 478 Côte St. Antoine Road, Westmount, Quebec	Director.....	Vice-President and General Counsel, Camp Investments Ltd.
NATHAN GESSER..... 5012 Roslyn Avenue, Montreal, Quebec	Director.....	Vice-President, Finance, Camp Investments Ltd.
PHILIP FISCHER VINEBERG..... 32 Summit Crescent, Westmount, Quebec	Director.....	Partner, Phillips & Vineberg
FRANK EDWARD BARRIE..... 60 Ashmount Crescent, Weston, Ontario	Vice-President, Construction	Vice-President, Construction, The Fairview Corporation Limited
STANLEY HAROLD WITKIN..... 15 Glenorchy Road, Don Mills, Ontario	Vice-President, Development	Vice-President, Development, The Fairview Corporation Limited
JAMES SPENCE STEWART..... 55 Ridge Drive, Toronto, Ontario	Secretary.....	Secretary and General Counsel, The Fairview Corporation Limited
RENÉ GUY BABY..... 4 Lafayette Place, Thornhill, Ontario	Treasurer and..... Assistant-Secretary	Treasurer, The Fairview Corporation Limited
PETER McNICHOL..... 7 Bathford Crescent, Willowdale, Ontario	Controller and..... Assistant-Secretary	Senior Controller, The Fairview Corporation Limited

During the past five years all of the directors and officers of the Company have been employed in various capacities by the companies or firms indicated opposite their names under "Principal occupation" except: J. S. Stewart who prior to March 1972 was employed by the governments of Ontario and of Canada; R. G. Baby who prior to May 1971 was employed by The Ontario Housing Corporation and prior to January 1971 by A. E. LePage Limited; and P. McNichol who prior to March 1972 was employed by Price Waterhouse & Co.

#### Remuneration of Directors and Senior Officers

No remuneration was paid by the Company to its directors and senior officers during the year ended February 29, 1972 or during the three months ended May 31, 1972. The aggregate remuneration paid by its subsidiaries to the senior officers named above during the year ended February 29, 1972 was \$286,067 and during the three months ended May 31, 1972 was \$92,392 and no amount was paid to such persons in their capacity as directors.

The estimated aggregate annual cost to the Company and its subsidiaries for the financial year ended February 29, 1972 of all pension benefits proposed to be paid, directly or indirectly, to the directors and senior officers of the Company named above in the event of retirement at normal retirement age was \$5,800.

#### Employee Share Purchase and Stock Option Plans

The board of directors of the Company proposes to establish an employee share purchase plan and an employee stock option plan. An aggregate of 200,000 common shares will be reserved for future allocation under these plans to employees at prices and in amounts to be determined by the board of directors.



### Description of Shares

The common shares without nominal or par value are the only authorized shares of the Company. Each holder thereof is entitled to one vote for each common share held and to share rateably in any dividends or other distributions to shareholders. All the outstanding common shares are fully paid and non-assessable.

### Principal Shareholder

The following table sets forth, as at May 31, 1972, the holdings of the only person holding directly or indirectly, beneficially or of record, more than 10% of the common shares of the Company:

Name and address	Type of ownership	Number of shares owned (1)	Percentage of class outstanding	Percentage of class to be owned after the financing (2)
Cemp Investments Ltd..... 32nd Floor, 630 Dorchester Boulevard West, Montreal, Quebec	Of record and beneficial	4,956,560	88.51%	%

Notes (1) After giving effect to the 5.6-for-1 subdivision of the Company's common shares on June 1, 1972.

(2) After giving effect to the following transactions to be effected on July 25, 1972; (i) the issue to Cemp of an additional common shares of the Company at \$ per share; (ii) the purchase by Cemp from certain directors and officers of the Company and certain employees and former employees of FCL of common shares of the Company at \$ per share; and (iii) the sale by Cemp to certain directors of the Company of common shares of the Company at \$ per share.

Cemp is a private company, incorporated under the laws of Canada, all of whose shares are owned by trusts created by the late Samuel Bronfman for the benefit of his sons, daughters and grandchildren. C. R. Bronfman, E. L. Kolber and P. F. Vineberg, all of whom are directors of the Company and of Cemp, are among the trustees of such trusts and C. R. Bronfman is a beneficiary under one such trust. Under agreements with the shareholders of two Associated Companies and with Cadillac Development Corporation Limited, Cemp has agreed that the Company will remain a subsidiary of Cemp.

Cemp has from time to time guaranteed, underwritten or otherwise supported some of the obligations and other undertakings of Fairview. Reference is made to Note 13(a) on page 25 and to (i), (iv) and (vii) under "Interest of Management and Others in Material Transactions" below. Following this financing the Company's equity capital will be considerably increased and there will be a substantial minority interest held by the public in the Company. Accordingly such forms of support by Cemp will not necessarily be forthcoming in the future.

At May 31, 1972, the directors and officers of the Company, as a group, excluding the interest of C. R. Bronfman in the trust referred to above, owned beneficially, directly or indirectly, 574,560 common shares, as now constituted, of the Company or 10.26% of those outstanding. Reference is made to Note 2 above.

### Dividend Policy

No dividends have been paid by the Company to date. Payment of dividends by the Company will be determined from time to time by the board of directors on the basis of the then prevailing financial circumstances, earnings and other relevant factors.

### Interest of Management and Others in Material Transactions

The Company has entered into the following transactions to which Cemp has been a party within the past three years:

(i) In April 1970 Cemp indemnified the Company from a loss of \$140,325 incurred by the Company on the disposition of its interest in NGC Cinemas Limited.

(ii) By agreement dated June 16, 1971 the Company acquired from Cemp 1,458,104 common shares of CEDC at the then quoted market price of \$11 $\frac{3}{8}$  per share for an aggregate amount of \$16,585,933 payable as to \$12,933,979 in cash and as to \$3,651,954 by agreement to indemnify Cemp in respect of the indebtedness owing to the parties from whom Cemp had acquired the shares in 1967.

(iii) By agreement dated September 2, 1971 the Company and its wholly-owned subsidiary, Dominion Square Building Limited, sold to Cemp their investments in La Maison Neuve Inc., Host House Foods Limited, The House of Fashion Ltd., The Inn on the Mall Limited and Fairview Centres Canada



Ltd. for an aggregate of \$500,380 being the cost of the investments to the Company and to Dominion Square Building Limited. The companies sold carry on restaurant, retail fashion and bowling lane businesses in certain properties owned by Fairview.

(iv) By agreements dated October 20, 1971 and November 3, 1971 between FCL, Cadillac Development Corporation Limited and Tergan Developments Limited and by agreement dated as of October 19, 1971 between Cemp and FCL it was agreed that Cemp would guarantee the provision of interim financing in connection with the office building in downtown Ottawa and the proposed office complex at Bay and Charles streets in Toronto. The agreements provide that Cemp will be paid a fee for any guarantee of such loans at the rate of  $\frac{1}{2}$  of 1% per annum of the principal amount of such guaranteed loans outstanding from time to time. In respect of the Ottawa development Cemp has been called upon under these agreements and has guaranteed a line of credit of a maximum of \$3.7 million and made the direct loan described in (v) below.

(v) By agreement dated February 15, 1972 between Cemp, FCL, Cadillac Development Corporation Limited and Tergan Developments Limited, Cemp loaned \$2,300,000 at  $1\frac{1}{2}\%$  over the bank prime rate in connection with the construction of an office building in downtown Ottawa to the other parties who agreed, jointly and severally, to repay such loan.

(vi) By agreement dated February 15, 1972 between Cemp, the Company and Simpsons, Limited Cemp loaned \$7,700,000 to Les Galeries d'Anjou Limitée at 1% over the bank prime rate and the Company and Simpsons, Limited severally each as to 50% guaranteed the repayment of such loan.

(vii) By agreement dated June , 1972 between Cemp and the Company: (a) Cemp agreed to subscribe and pay for common shares of the Company at \$ per share, the proceeds of which will be used to retire notes payable to Cemp as described under "Application of Proceeds" on page 3; (b) the Company agreed to fulfil all of Cemp's obligations under guarantee, deficiency, rental deficiency, rental contribution, ~~leases~~ and other agreements previously entered into by Cemp relating to certain obligations of the Company and its subsidiaries, and such portion of Cemp's obligations under such agreements with respect to obligations of Associated Companies as is equal to the Company's proportionate ownership interest in such Associated Companies; (c) Cemp granted to the Company an option to purchase from Cemp, at Cemp's cost, all of Cemp's interests in the major urban redevelopment project referred to under "Other" on page 14, and (d) Cemp undertook to indemnify FCL for all losses in excess of \$1 million incurred by FCL in connection with the Downtown Toronto Project described on page 13 if such project is not proceeded with.

#### Material Contracts

The Company and its subsidiaries and Associated Companies have entered into numerous agreements relating to the acquisition, development, financing and administration of properties and other purposes including agreements with the other shareholders of the Associated Companies relating to such companies, all of which the Company regards to be in the ordinary course of business. In addition to these agreements the Company and its subsidiaries have entered into the following material contracts within the two years preceding the date hereof:

(i) the contracts described under "Interest of Management and Others in Material Transactions" above; and

(ii) contract described under "Plan of Distribution" on page 3.

Copies of the foregoing contracts may be inspected at the head office of the Company during the period of distribution to the public of the common shares offered hereby and for a period of 30 days thereafter.

#### Pending Legal Proceedings

Fairview is involved in various legal proceedings both as plaintiff and defendant. The Company does not consider such proceedings, either alone or in the aggregate, to be material.

#### Auditors, Transfer Agent and Registrar

The Auditors of the Company are Price Waterhouse & Co., Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario.

The transfer agent and registrar for the shares of the Company is The Royal Trust Company at its principal offices in Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

